



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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April 29, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
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Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: **PROBATE CONCERNS RAISED IN LOS ANGELES TIMES ARTICLE
DATED APRIL 27, 2013**

On April 27, 2013, the Los Angeles Times published an article (attached) which detailed the concerns of Ms. Marianne Blend over the handling of the probate process for the house in which she has been living. The house is located in the First District. The Public Administrator (PA), a division of the Treasurer and Tax Collector, is cited in the article. The purpose of this memorandum is to provide background information on this case, details regarding the PA's level of outreach to Ms. Blend, and upcoming matters affecting the estate being probated. Much of the information provided in this report was discussed with the reporter from the Los Angeles Times, but the information was not included in the article.

Background

On December 26, 2011, the PA was notified by staff at the Keck Medical Center that Fernando H. Neri (decedent) passed away on December 25, 2011. Per the PA's operating protocol, staff opened an investigation to determine if the decedent had any heirs that would assume responsibility for administering his estate. After conducting research and speaking with the decedent's neighbors, staff discovered the following:

- The decedent's house where he was living was jointly held in his and his predeceased wife's name. His predeceased wife passed away many years ago, yet the decedent did not change title to the real property.

- The decedent was living with a woman named Marianne Blend. In January 2012, during the PA's initial investigation, Ms. Blend provided a document that appeared to be the holographic (hand-written) will of the decedent. This will left the decedent's estate to Ms. Blend. Because Mr. Neri had not deeded title out of his predeceased wife's name to include Ms. Blend, probate of the will would be required to transfer title to her name. The PA filed the will for Ms. Blend in anticipation of probate.
- The decedent had a son who was quickly located. A close friend of the decedent believed that he may have had a daughter, thought to be from a third relationship, but was unable to provide a name or location. Without more information, staff was initially unable to confirm that a daughter existed. In April 2013, an attorney stating that she represented the purported daughter contacted County Counsel.
- In January, February and March 2012, my staff conducted extensive in-person and telephone contacts with Ms. Blend and at her request, two of her closest neighbors/friends. Ms. Blend was under the misimpression she now owned the house because of the will. She was advised repeatedly that the probate process would be necessary first, to prove the will in Court and seek an order to distribute the house to her.
- Ms. Blend was also advised she would likely need an attorney to assist her, and that costs and fees of probate administration, the payment of claims of creditors of the decedent and the costs and fees of an attorney would be required to complete the probate and transfer title. On February 2, 2012, Ms. Blend verbally informed my staff that after consideration, she would nominate the PA and County Counsel to administer the estate, rather than retain her own attorney.
- She was again advised creditor claims and expenses of probate were obligations of the decedent's estate and, therefore, needed to be settled from his assets through the probate process before title to the house could be transferred to her. On February 3, 2012, Ms. Blend completed the formal nomination for the PA to handle the probate, rather than incur the costs of probate and an attorney on her own.

The PA probates 600 to 800 estates on an annual basis and regularly sells occupied and unoccupied real properties as a part of the estate administration process. Settlement of estates is required to be timely and the PA is subject to Orders to Show Cause to the Court if estates are not settled within one year of formal appointment.

Probate

PA staff filed for probate, per Ms. Blend's nomination, and deposited the holographic will with the County Clerk on February 3, 2012. The Superior Court admitted the will to probate and appointed the PA administrator of the will on October 26, 2012.

The total value of Mr. Neri's estate is \$249,763. By law, creditors' claims must be satisfied from these assets, and the sum is the basis for certain fees the estate is obligated to pay. The value of the house was determined to be \$241,000. The house is not encumbered and represents the principal asset of Mr. Neri's estate. Including delinquent property taxes of approximately \$5,500, Mr. Neri's obligations to creditors total \$7,400.77 to date. The costs and fees of probate and the management of the estate, including direct County costs expended to date, amount to \$19,344.94, bringing the total estate obligations to approximately \$27,000.

Ms. Blend and the friends who were assisting her were advised of the progress of the probate since February 2012. She was also repeatedly advised that the cash assets of the estate were not sufficient to pay all of the obligations of Mr. Neri's estate. Although she wanted to remain in the house, she was consistently advised the house would need to be sold if she could not make arrangements to pay the above expenses herself.

My staff contacted Ms. Blend on October 30, 2012, specifically regarding the need to sell the home if she was unable to pay the estate's claims and expenses herself. We also had numerous contacts with Ms. Blend in March and April of this year, as the house was readied for sale. On April 5, 2013, Ms. Blend and her friends visited the PA's headquarters to request that the house not be sold.

My staff again explained to them that under the law, the estate's obligations must be satisfied before the probate court will order distribution of remaining assets to heirs and legatees. Ms. Blend and her friends were provided with general information regarding alternatives for paying these obligations, such as various types of loans and mortgages that use the house as collateral. It is important to note that had Ms. Blend opted to retain private counsel to probate the estate on her behalf, she would be in the same position of liquidating assets to satisfy the estate's obligations.

The PA was not advised that Ms. Blend had no notice of any of the probate proceedings, nor that she had required medical care that affected her receipt of notice, until contacted by the media for the article. My staff had no difficulty contacting her with progress of the probate throughout the proceedings.

Post Auction

The house sold at auction on Saturday, April 27, 2013, for \$280,000. After costs and fees of probate and of the escrow, Ms. Blend is currently in line to inherit the remainder of the sales proceeds (in excess of \$200,000).

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Although the house was auctioned on April 27th, formal confirmation of sale is conducted by the Superior Court approximately 45 to 60 days after the sale. Ms. Blend will be noticed on this hearing and PA staff will confirm that date with her. Ms. Blend does have the right to appear at this confirmation hearing to object to the sale. However, the Court is likely to give Ms. Blend the same instruction the PA has for the last 14 months, namely that the financial obligations of the estate must be satisfied from estate assets. If Ms. Blend cannot satisfy them by other means, the sale of the house would need to be confirmed.

After the house sale confirmation hearing in late June, provided that the Court proceeds with the sale, a 60 day escrow will be opened to finalize the sale. Net proceeds from the sale will be promptly delivered to the PA, and the PA can request the Court authorize a preliminary distribution of a portion of the net proceeds to Ms. Blend.

Although escrow will not close for several months and Ms. Blend has additional time to remain in the house, it should be noted that the interior and exterior condition of this property are in poor condition. Therefore, staff from the Treasurer and Tax Collector is in contact with other County agencies to assist Ms. Blend in evaluating other options that may be more beneficial to her interests.

If you have any questions, please call me, or your staff may contact Keith Knox, Assistant Treasurer and Tax Collector, at (213) 974-0703.

MJS:JK:kk:ch

Attachment

c: Chief Executive Officer

Woman, 78, could lose home in probate confusion

Marianne Blend thought she owned the Highland Park house that the county says she rents. It's set for auction Saturday, which she can appeal later.

By Bob Pool, Los Angeles Times 11:12 PM PDT, April 26, 2013

Marianne Blend learned she was in trouble about three weeks ago when she looked out the window of her Highland Park home and saw strangers placing a large sign in her frontyard.

"They were two big men, so I didn't go out there until they were gone," said the 78-year-old widow. "But when I did go out and looked at it, I couldn't believe it."

The sign announced that her 92-year-old clapboard cottage was being sold in a Superior Court probate auction scheduled for Saturday.

For Blend, it was stunning news. She thought *she* was the owner of the 780-square-foot Irvington Place house.

"My husband lived here 40 years before he died," she said. "I thought the house had been paid for a long time ago."

According to Blend, she and Fernando H. Neri lived together as husband and wife for 27 years after the death of his first wife. She and Neri met at a Van Nuys shop where he worked as a barber, she as a hairdresser. Before he died in 2011, she said, he wrote a will that left the tiny house to her.

Last year, after Blend first suffered a stroke and then serious burns when her clothes caught on fire as she warmed herself by the fireplace, a notice of a deadline to file an objection to the probate was mailed by Los Angeles County. But Blend said she was undergoing skin grafts when it arrived.

"It turns out they have me down as a renter instead of executor of the estate," said Blend.

Officials of the county's Public Administrator's office said the auction is required because of debts incurred by the estate. County records showed a delinquency on the 2011 property taxes on the house.

Although common-law marriages are not recognized in California — the state has a domestic partnership registry — probate courts pay close attention to hand-written, verifiable wills, officials said.

Blend said she has been told that the residence is not behind on its property tax. "We went to the tax assessor's office and were told we don't owe anything. I still have a bill from the hospital for about \$1,000. Would they take the house for that?" she asked.

She said others in the Irvington Place neighborhood have joined in her effort to save her home. "The neighbors help me. They bring me breakfast every morning. They take me to the store and to church. They took me to the tax office," she said.

Neighbor Imelda Mireles said she's been friends with Blend for 17 years and frequently gives her rides to the store. "It's a bad situation for her. It's not right," Mireles said of the impending auction.

Alejandria Menjibar has lived next door to Blend since 1996. "She's a nice neighbor. But she's lonely and people take advantage of her," Menjibar said.

About two dozen potential buyers toured the two-bedroom house last Sunday during an auction preview showing. On Wednesday, another potential bidder showed up to take photos of the house.

"I'm looking for a house to live in. I saw this auction listing online last night," said Linda Manheim, a Westwood resident who works in real estate. Advised that Blend still lives in the house, Manheim abruptly changed her mind about submitting an offer.

"I won't be bidding. Absolutely not. That's bad mojo. This could be my mom, anybody's mom," she said.

But the auction is moving ahead just the same, though the winning bidder will have to go to court within 45 to 60 days for a confirmation hearing, said Craig Hendrickson, the county's chief deputy public administrator.

Hendrickson declined to discuss specifics of Blend's situation, including her assertion that a woman claiming to be Neri's daughter has suddenly stepped forward, but said she will have an opportunity at the court hearing to protest the sale.

Courts typically instruct the public administrator to work with a survivor-occupant to help arrange a loan, a reverse mortgage or some other remedy, he said.

Rhett Winchell, the listing agent for Saturday's auction, concurred that Blend will have an additional opportunity to fight any eviction.

As for Blend, she's hoping for the best.

"They're pushing me to move. They're hot to put me out. Some guy came by yesterday and asked me when I was leaving," she said.

"I'm an old lady who's all alone. Where will I go? Under a bridge somewhere?"

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